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COUNTRY: International

SUBJECT: Comments on Colombo

DATE ACQUIRED: [REDACTED]

DATE OF INFORMATION: Oct 53 and earlier

CIA

DATE 8 Jan 53

PROCESSED

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nation by [REDACTED] report. 25X1A2g

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1. "Good progress, especially in the field of agriculture, irrigation, power and communications in the various countries of South and South-East Asia covered by the Colombo Plan, which came into operation in 1950, is recorded in the annual report adopted by the Consultative Committee of the Colombo Plan which met in New Delhi in mid-October. The report pays compliments to the countries concerned for having shown that they can plan boldly and realistically and readjust themselves to good fortune and bad.
2. "Most of the countries in the area are at present struggling because the fall in raw material prices has greatly reduced their resources for the implementation of development plans. The capital goods they need are now more freely available but their ability to pay for them is much lower than what it was when their export earnings were better. Although the problems are admittedly serious, the report lays down that the development programs should continue to move as rapidly as possible and the countries should make a maximum effort to mobilize their internal resources. The need for an accelerated rate of external aid has also been stressed. The external aid made available so far in the area comes to about 360 million sterling. This assistance came from Australia, Canada, New Zealand, Great Britain, US and the World Bank. The progress already made and the zeal for further rapid development perhaps justify the confidence expressed in the report that the Colombo Plan will 'come up to and even surpass the hopes with which it began.'
3. "In his address to the Consultative Committee of the Colombo Plan, which met in New Delhi, India's Prime Minister, Mr Nehru, remarked that there was no great conflict as to whether development in India should be by private enterprise or state expenditure. India's economy was a mixed one although the pressure of events drove it more and more in the direction of public ownership. However, he added that the government proposed to give full play to the private sector of the economy."

TYPE ACT-DATE INFO-TFR-DATE AREA

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JAN 29 1954

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